

**Cotton  
wrapped in  
know-how  
since 1788**

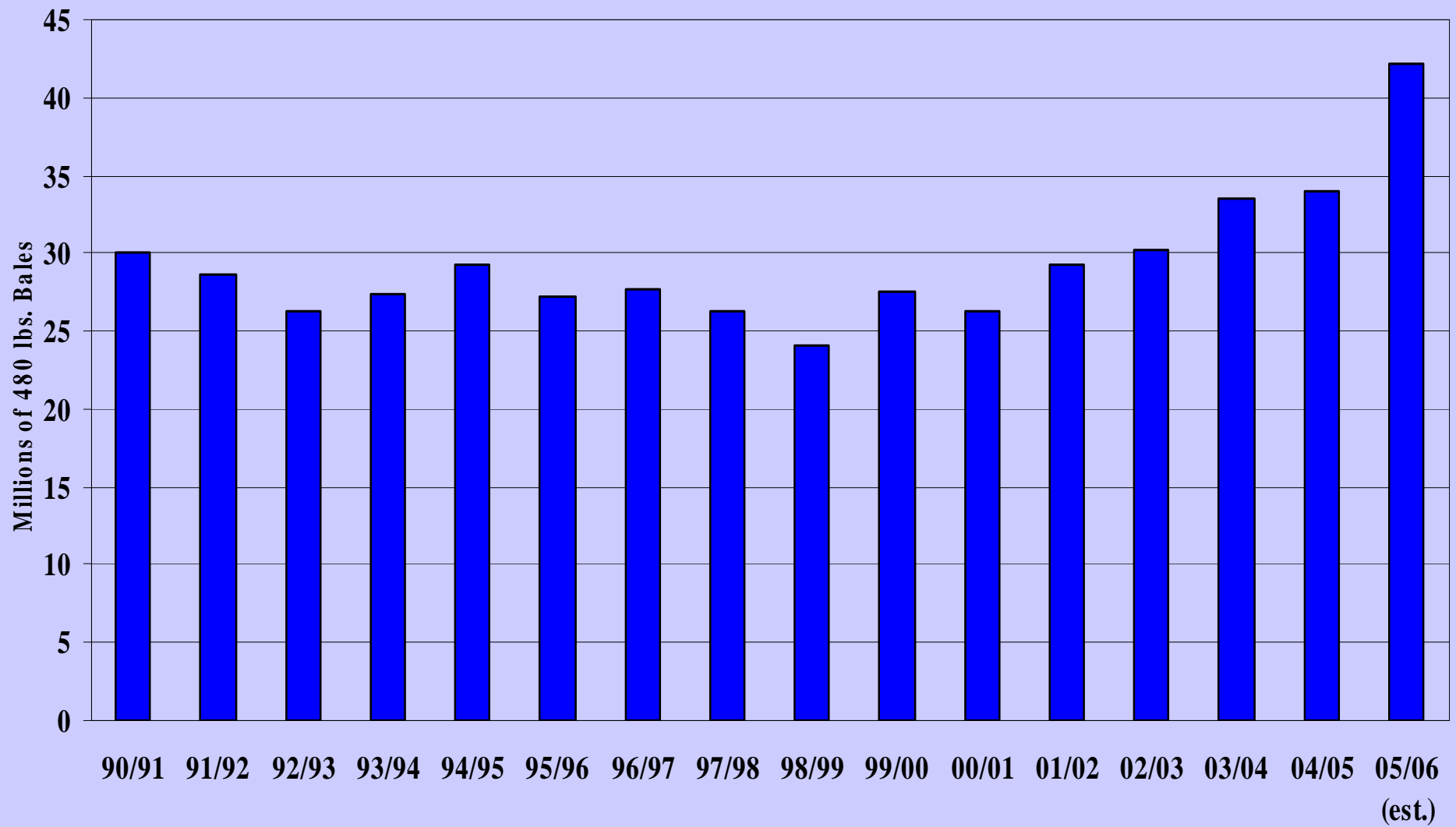


**China New Developments in  
Cotton Trade**

**Presented By Dale Cougot**

# World Cotton Trade

Crop Years 1990/01 to 2005/06

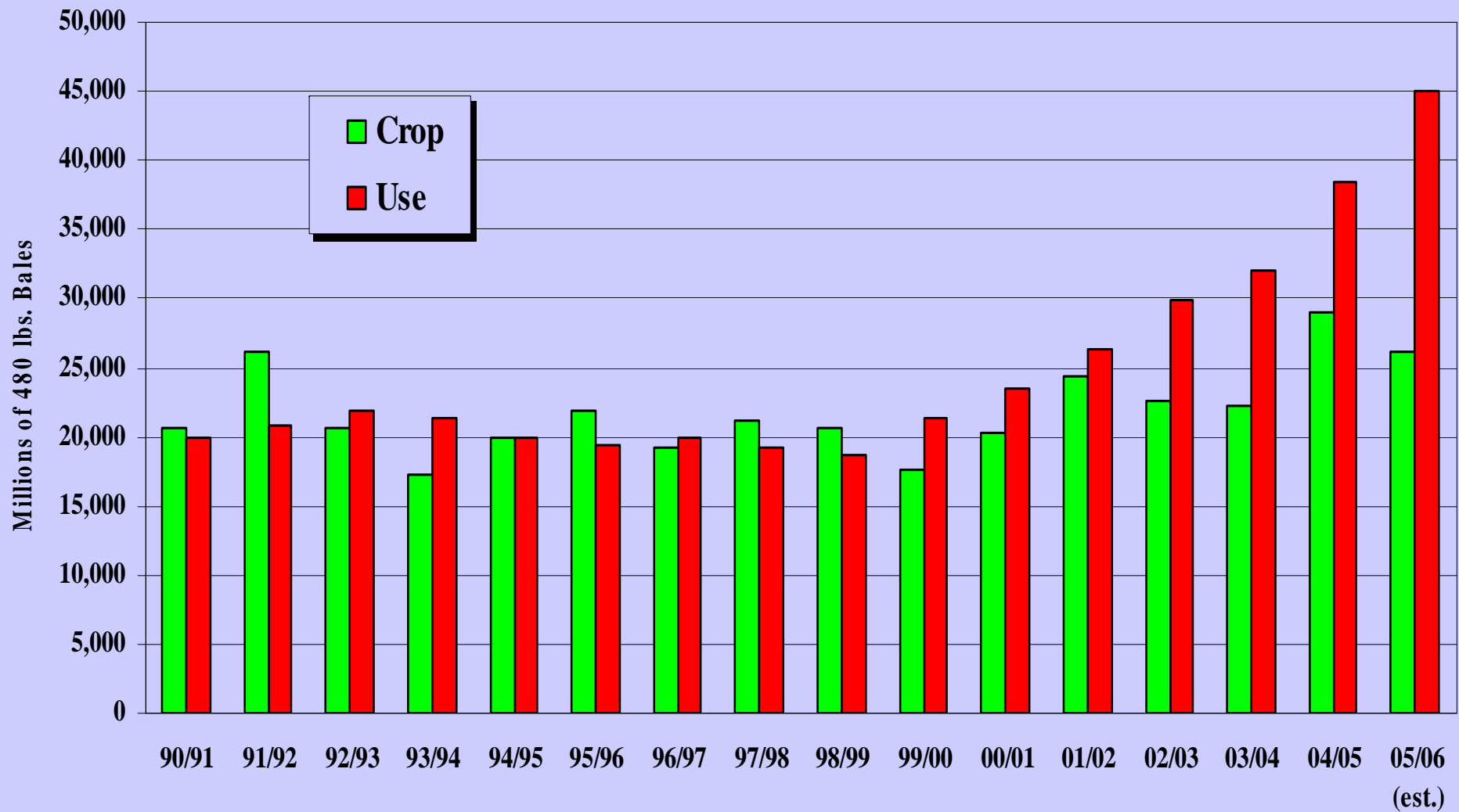


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Crop Year

# China Cotton Production and Consumption

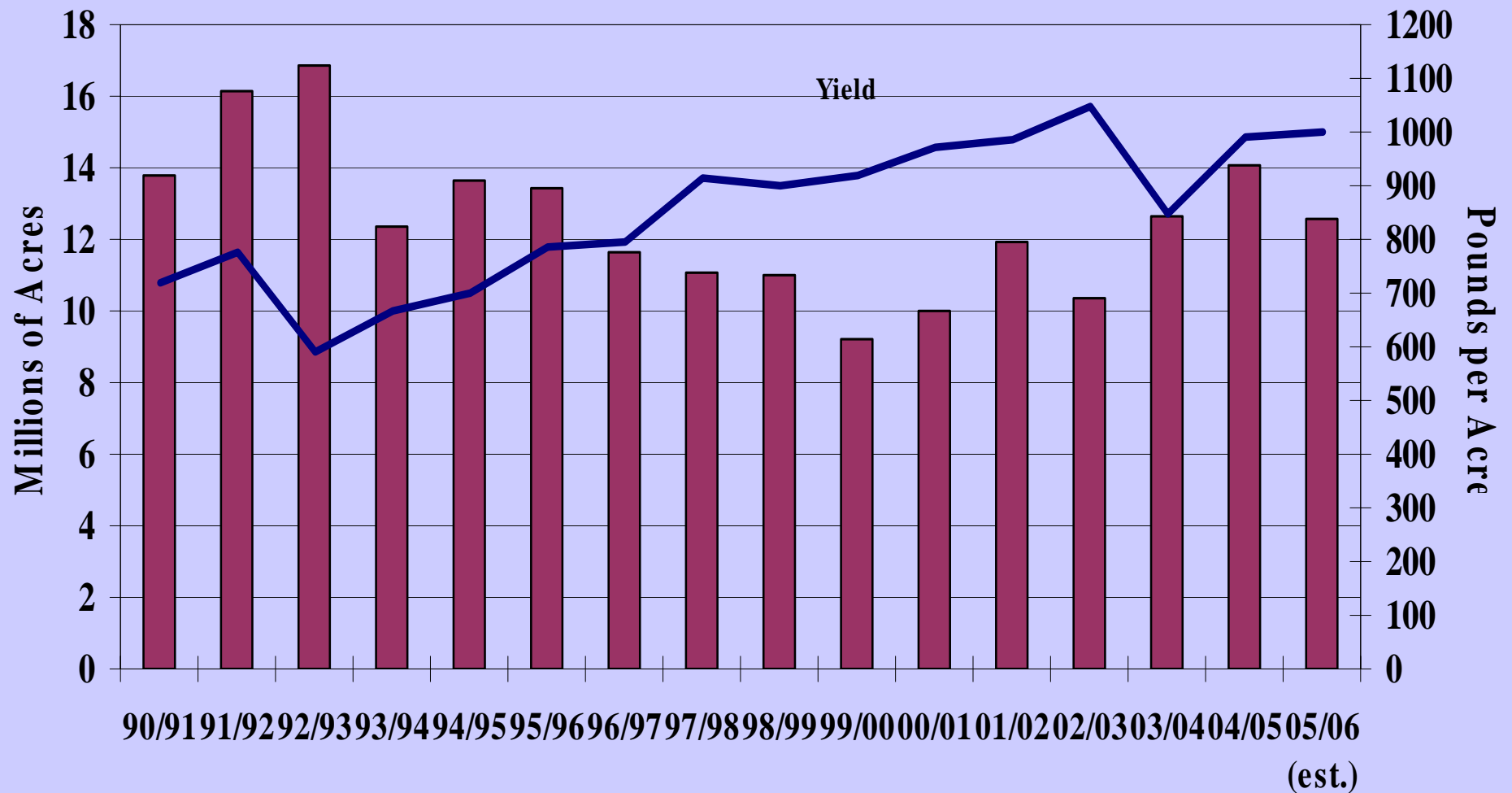
Crop Years 1990/01 to 2005/06



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# China Cotton Harvested Area and Yields

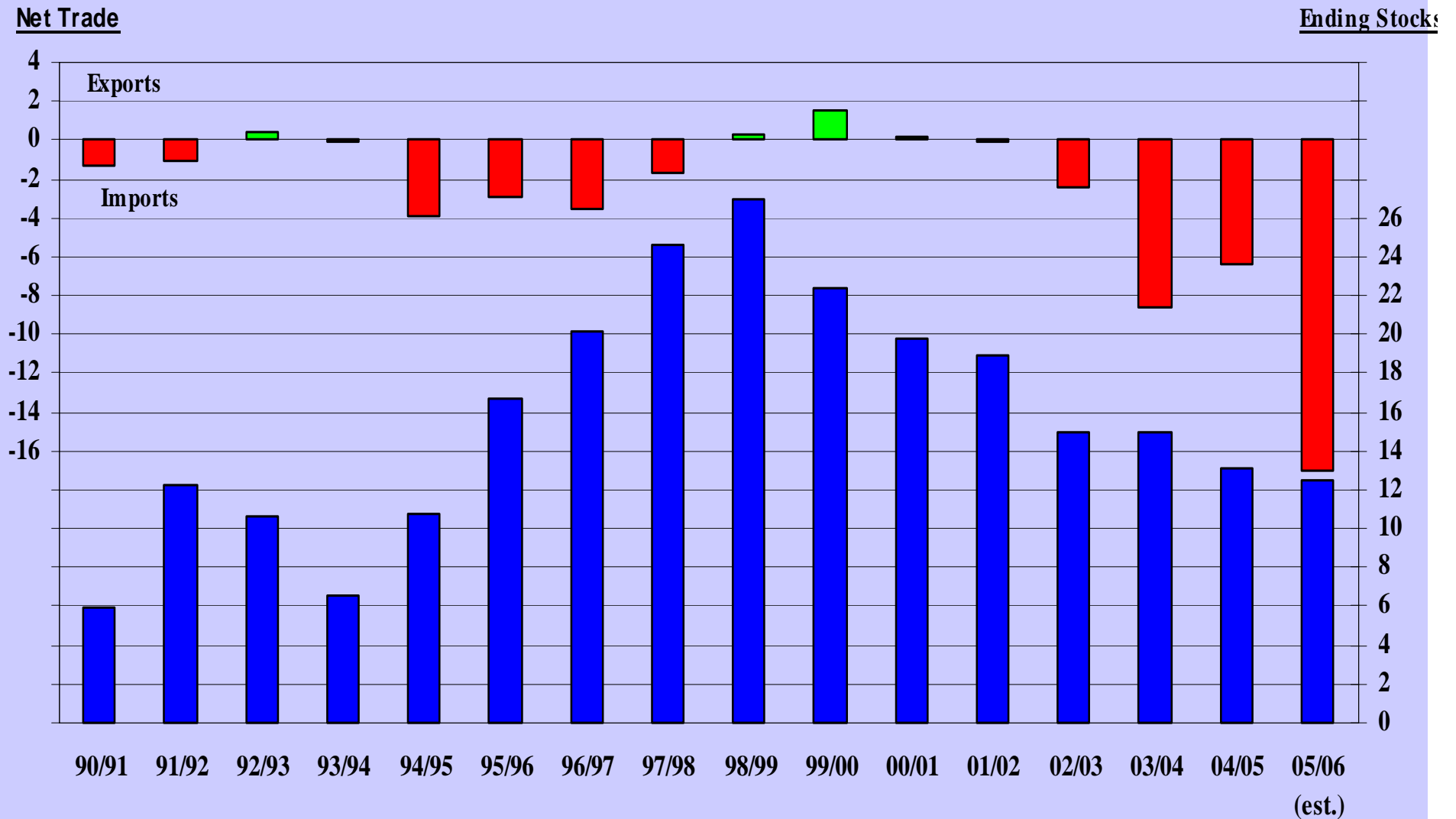
Crop Years 1990/01 to 2005/06



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# China Cotton Net Trade and Ending Stocks

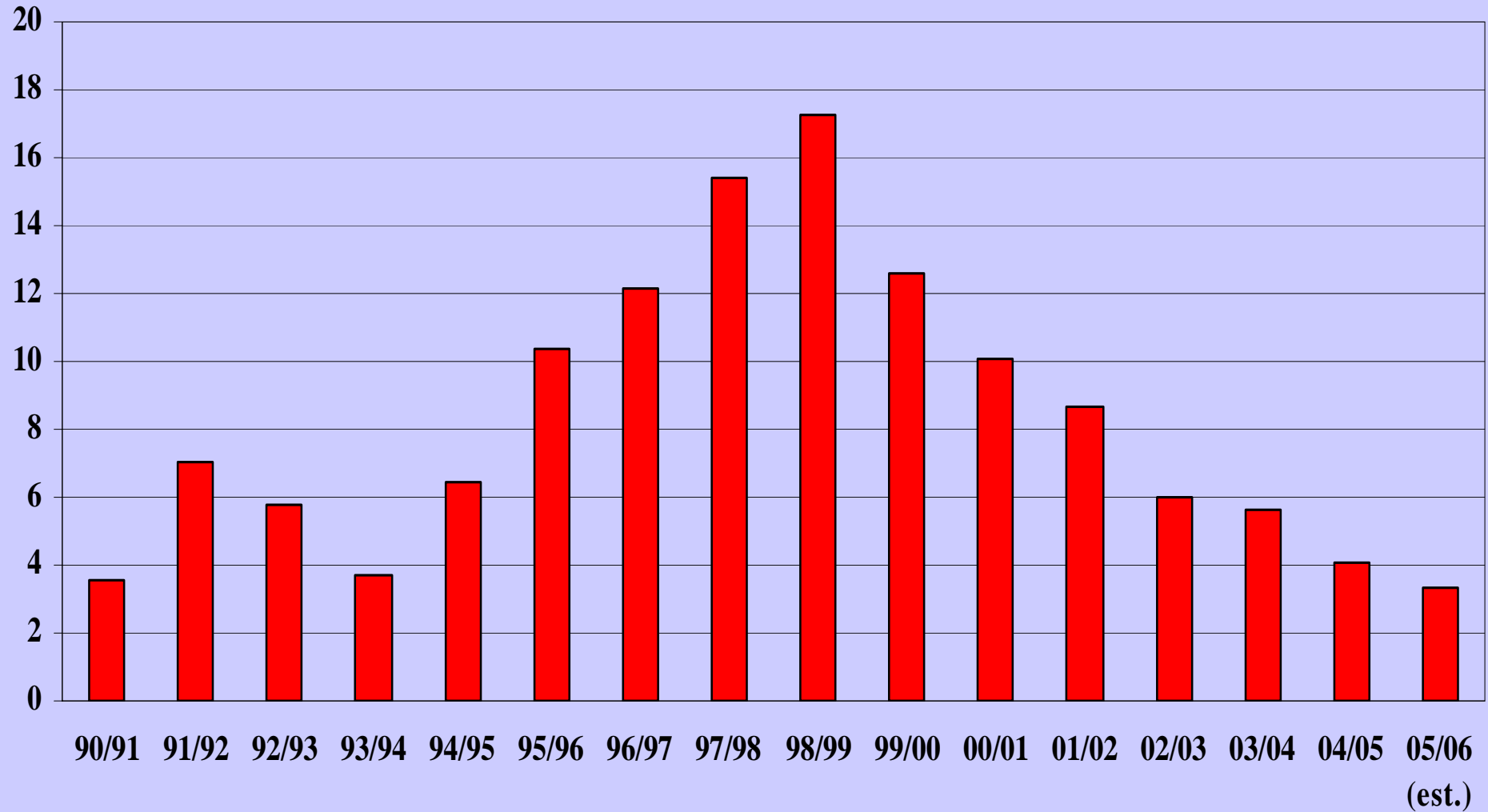
## Crop Years 1990/01 to 2005/06



# China Cotton Stocks as per Months of Consumption

## Crop Years 1990/01 to 2005/06

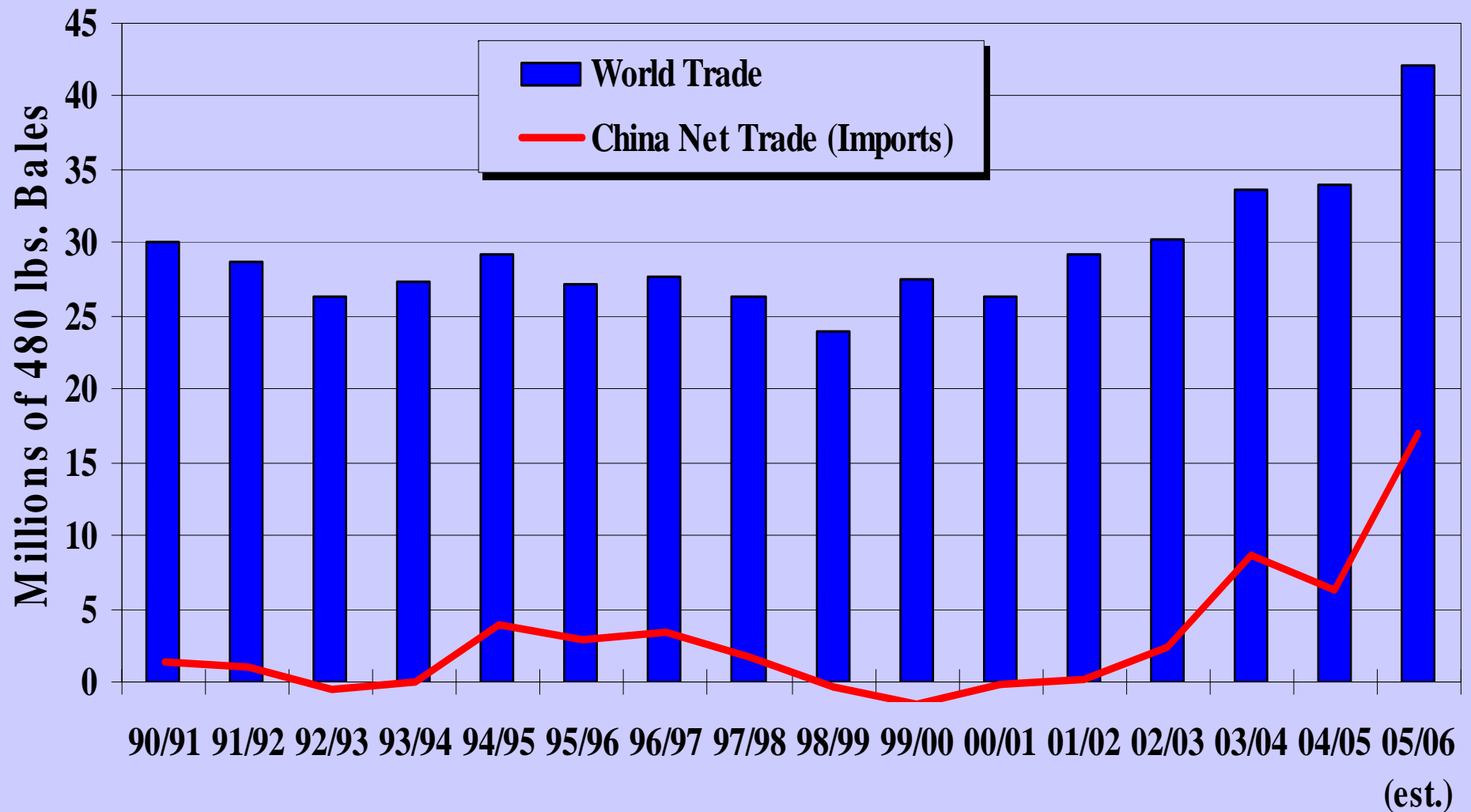
Months



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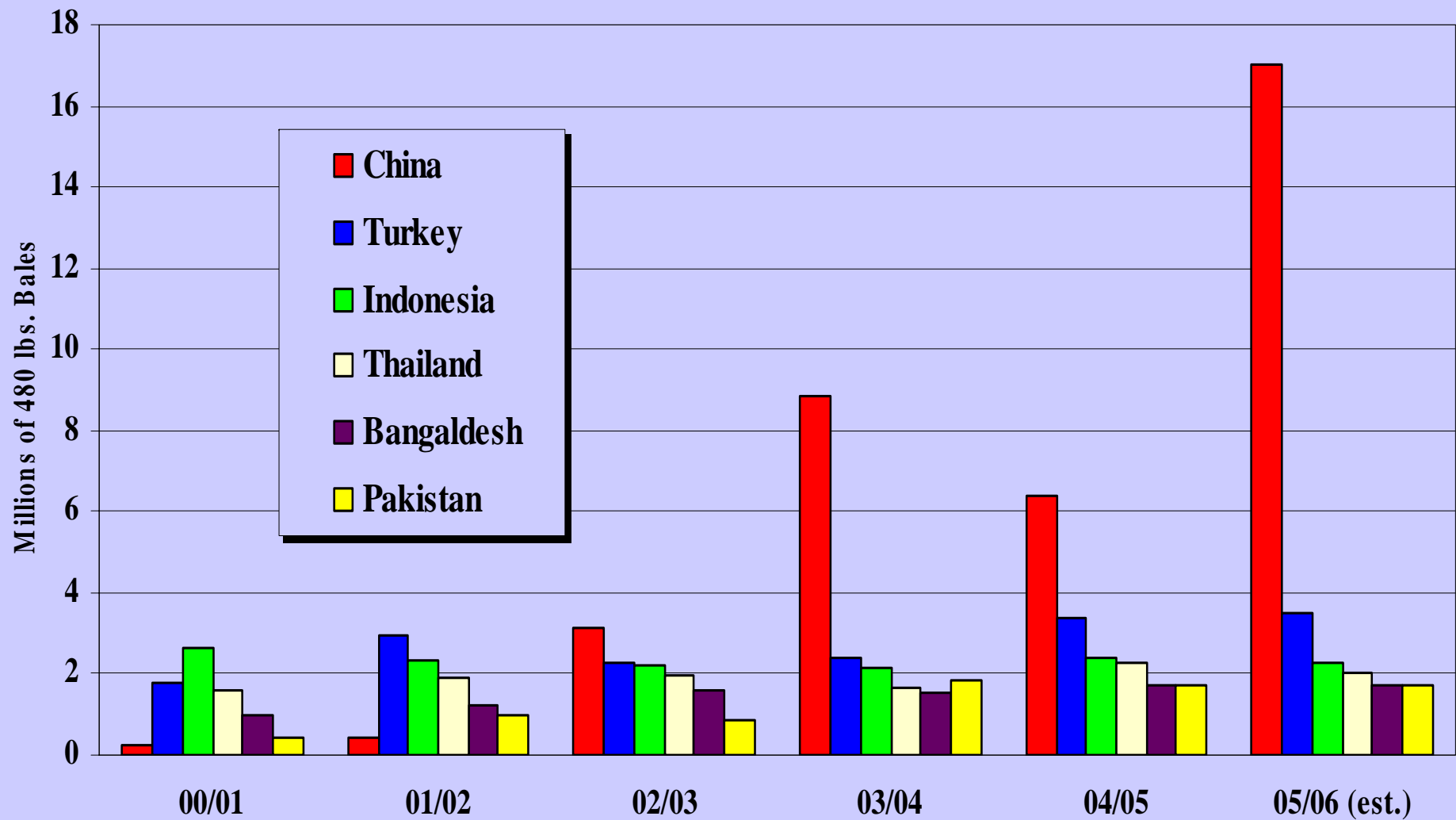
# World Cotton Trade and China Net Trade (Imports)

Crop Years 1990/01 to 2005/06



# World Largest Cotton Importers

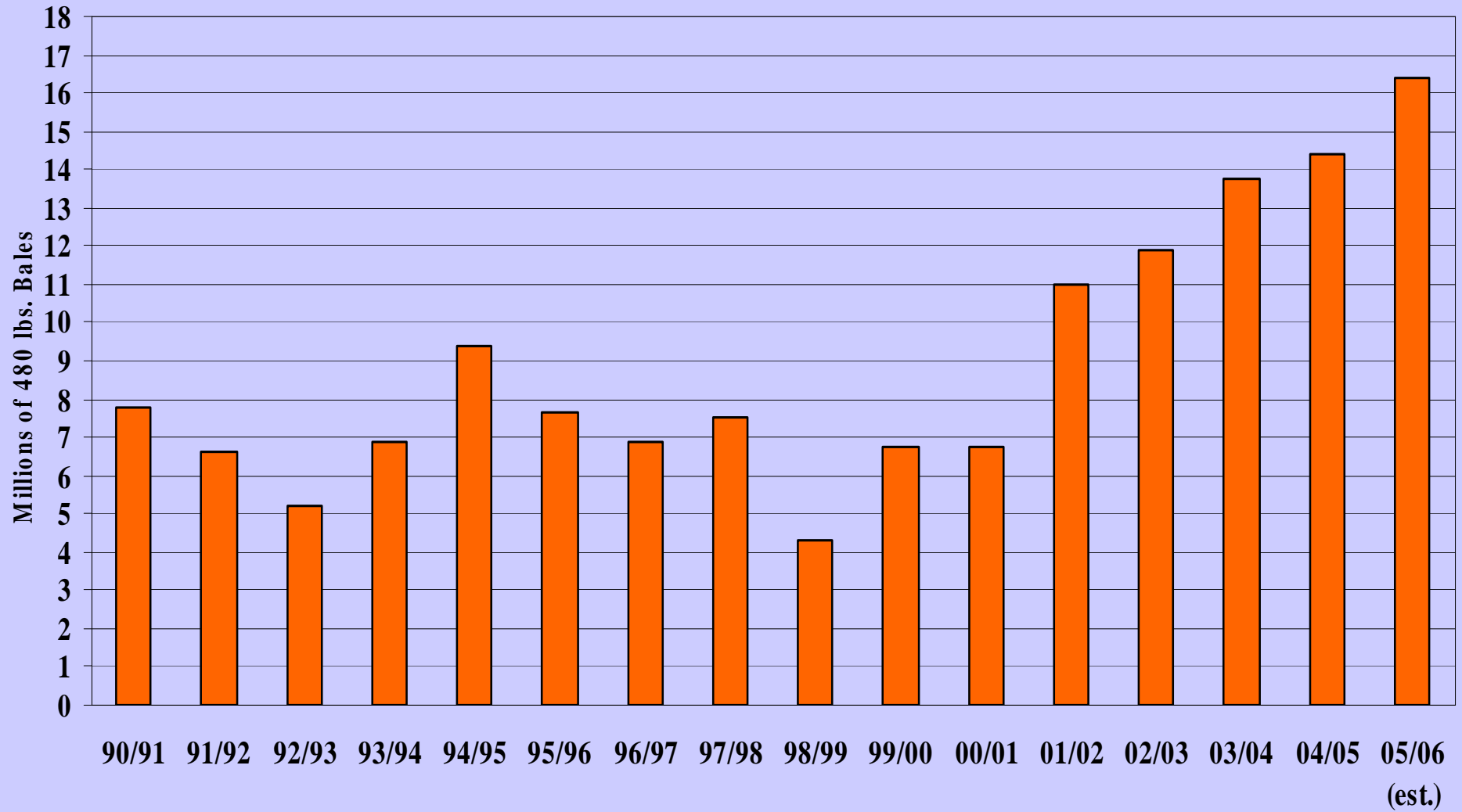
## Crop Years 2000/01 to 2005/06





# U.S. Cotton Exports

Crop Years 1990/01 to 2005/06

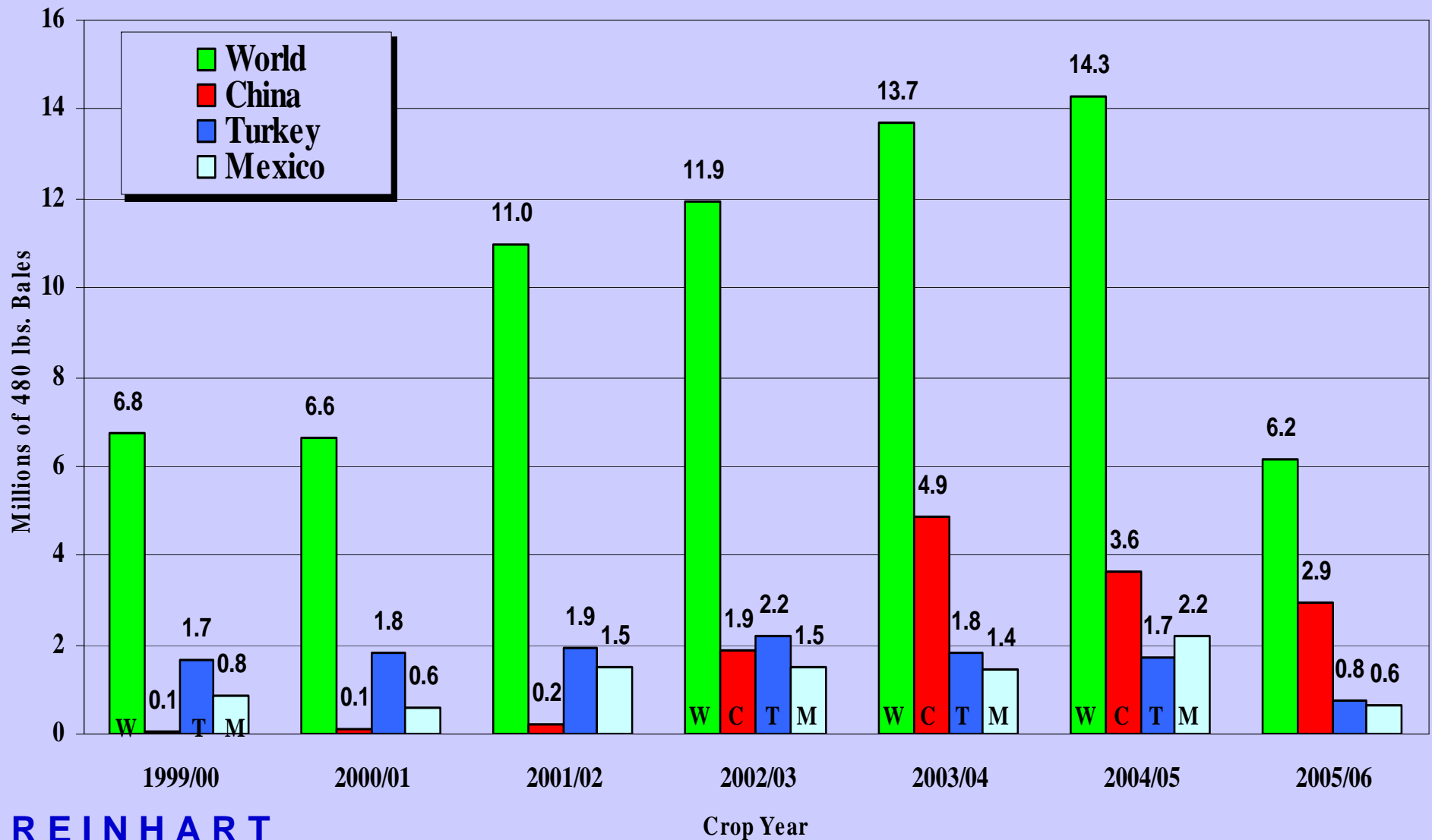


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Crop Year

# Top 3 major U.S. Exports

## Crop Years 1999/00 to 2005/06 YTD



# **Chinese Textile Industry**

**Virtual size is non-comparable**

**Fully integrated operations**

**Large foreign investments supports the textile industry**

**New marketing opportunities arise as China joins the WTO**

**Potential profit creates competition**

**Shifts in imports to maintain its competitiveness**

# **Misconceptions of the Chinese Market**

**China is only an export machine!**

**Chinese industry is state controlled!**

**Chinese farmers only do what they are told!**

**Chinese industry pays dirt cheap wages!**

**China is the only growing textile country!**

# **Changing Chinese Textile Industry**

**Transitioning to privatization**

**Financing of Cotton**

**Purchasing Decisions**

**Buying Hand-to-Mouth**

**Buying Techniques**

**Testing Exotic Growths**

**Consignments**

# **Identifying and Initiating Strategies to Benefit U.S. Exports**

**Assistance with Financing**

**Yarn Specific Demand**

**Promoting Testing of Various U.S. Cotton**

**Quality**

**Location of Stocks**

**Viable Client**

**Chinese Warehouses**

**Growing Local Textile Demand**

## **Closing Comments**

**All of those involved from the farmer up until when the finished product is bought at the retail store are in the cotton service industry. We should be striving to ensure that a high quality product is passed through the marketing channel in an efficient way if we want U.S. cotton to be a competitive product in the future.**

**“Always listen to what they are saying, but more importantly pay attention to what they are doing!”**





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